

WorkFirst Reexamination Workgroup

Focus Area Briefing Paper

Issue: Child-only caseload

Goal: Support for children

Description: Child-only cases are those Temporary Assistance for Needy Families (TANF) cases where a grant is paid only to the children in a household, because the adults in the household are ineligible for or uninterested in receiving assistance. This caseload includes children in relative care (42%). As of June 2005, the child-only caseload was 21,594, or 38% of all cases. The growth in the child-only caseload has been roughly 5-6% per year since 2002.

Background:

The child-only cases fall into two broad categories:

- a. Parent is present in the household and meets TANF income and resource eligibility requirements, but parent is not eligible for cash assistance
- b. Biological parent is absent, and child lives with relative or guardian. These are caregivers who have no legal obligation to care for the child(ren). In these cases, only the child's own income and resources are part of the TANF eligibility calculation.

	Parental caregiver			Non-parental caregiver	
	Parent undocumented immigrant	Parent receives SSI	Parent otherwise disqualified	Child with legal guardian or "in loco parentis"	Child in relative care
# (March 05)	5,729	5,092	1,108	898	9,203
% of Child Only cases	26%	23%	5%	4%	42%
% of Total Caseload	10%	9%	2%	2%	16%
Change: 3/04 to 3/05	307	- 41	139	116	510
Growth Rate (%)	6%	- 1%	14%	15%	6%

The average grant amount for a child-only case is lower than adult cases, at \$388, compared to \$457 for cases with adults.

Caregivers in non-parental child-only cases generally have a range of options as to their legal and financial relationship with the child(ren):

- Adoption: The caregiver is not eligible for foster care, adoption support, or TANF grants.

- Permanent legal custody: The caregiver is eligible for a TANF grant, but not foster care payments.
- Dependency Guardianship: The caregiver is eligible for either a TANF grant or a significantly higher foster care payment, if they choose to pursue becoming licensed as a foster parent and meet (and maintain) the licensing requirements.
- Superior Court Guardianship: The caregiver is eligible for a TANF grant, but not foster care payments.
- Long-term written agreement: The caregiver is eligible for either a TANF grant or a significantly higher foster care payment, if they choose to pursue becoming licensed as a foster parent and meet the licensing requirements.
- Informal custody: With no legal arrangement between the caregiver and the parent, the caregiver is eligible for a TANF grant, but not foster care payments.

Research results:

Parental child-only cases are assumed to be similar in many ways to adult cases, since they are subject to the same financial means test. Non-parental caregivers, however, do not have income eligibility requirements. It is difficult to accurately profile these cases, since the eligibility workers' contact is limited, they are not case managed, and any information gathered is limited only to the applying adult, not others in the household.

Research sheds some light on the circumstances of these non-parental families:

- a. 25-30% of these households receive food stamps, and thus have household incomes below 130% of the federal poverty threshold, or \$24,505 for a family of four.¹
- b. A survey of 1,724 child-only caregivers undertaken by the Washington State Institute for Public Policy in 2002 found that income levels were:
 - 40% under \$20,000 per year
 - 25% between \$20,000 - \$39,999 per year
 - 16% between \$40,000 - \$59,999 per year
 - 9% over \$60,000 per year
- c. Other states have researched the means of these caregivers as well. While some of the findings conflict,² these can be used as guidelines to estimate the income distribution of Washington's non-parental caregivers:
 - According to Urban Institute studies, 61% of children in kinship care have family incomes under 200% of FPL and 40% have incomes below 100% of the FPL.
 - In New Jersey, 70% have incomes below 200% of FPL.
 - In South Carolina, 77% have annual incomes below \$20,000.
 - In Duval County, FL annual income for these households averaged \$12,444.

¹ This probably significantly understates the number of child-only households that qualify for food stamps. In the general population, 51% of families eligible for food stamps receive them. Therefore it is reasonable, for the general population, to double the percentage receiving food stamps to estimate the percentage eligible. However, probably a greater share of the child-only households eligible for food stamps receive them, since they have regular contact with financial workers at DSHS. So somewhere between 25% and 50% are eligible for food stamps.

² Probably, in part, due to the wide range in definitions and composition of child-only caseloads between states.

- In Alameda County, CA, annual income for these households averaged \$11,016.
- In Jackson County, MO, annual income for these households averaged \$15,972.

While states have tried a variety of approaches to working with their child-only cases, there is little or no evidence on the efficacy or outcomes of these policies.

Some states have sanctionable requirements that affect child-only cases. These include requirements to provide proof of children's immunization, documentation of school attendance, cooperation with child support enforcement, and not attending school conferences. The specific impacts of these types of 'personal responsibility' policies have not been studied.

Policy options: These are just a few of the policy alternatives that might impact the child-only caseload. While specific impacts on families are unknown, (no states or localities have undertaken experimentally designed programs for their child-only caseloads), it is safe to assume that any of these policy shifts would significantly affect the well-being of children and their caregivers.

	Impact
Means-test non-parental caregivers	Nevada means test its child-only caseload with a threshold of 275% FPL. Estimates of the savings that might follow such a policy are very sketchy at best. Conservatively, a threshold of 100% FPL would save \$29 million annually, a threshold of 200% FPL would save \$18 million.
Pass-through child support	Child support payments for child-only cases are retained by the state. While no cost estimate is currently available, passing through some or all of this money to caregivers might increase collections sufficiently to encourage some, particularly non-parental caregivers at higher income levels, to leave the caseload.
Case management services	Many states provide case management and job placement services to child-only caregivers. These services, while not free of costs, might prove to be cost-effective by helping parents and caregivers increase their employment and income levels.
Lower grant standard for child-only caseload	Many states have a lower grant standard for child-only cases than for cases with an adult recipient. The difference ranges from 11% lower to 37% lower grants for three-person households. Lowering the child-only grant amount by 25% would have saved roughly \$24.6 million in FY05.